

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **SEP 29 2005**

CONSERVATIVES IN ACTION
C/O ROBERT G TAYLOR
3006 E NORTH ST
GREENVILLE, SC 29615-1825

Employer Identification Number:
20-3272668
DLN:
17053237024025
Contact Person:
JOHN J KOESTER ID# 31364
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Form 990 Required:
Yes
Effective Date of Exemption:
August 1, 2005
Contribution Deductibility:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(4) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Information for Organizations Exempt Under Sections Other Than 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Contributions to you are not deductible by donors under section 170(c)(2) of the Code.

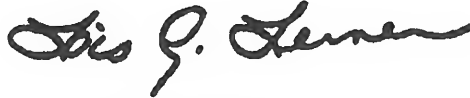
You are required under section 6113 to include an express statement (in a conspicuous and easily recognizable format) in any fundraising solicitation (including a solicitation for membership dues payment) that contributions and gifts are not deductible as charitable contributions for Federal income tax purposes. Section 6113 does not apply, however, if your annual gross receipts are normally \$100,000 or less, or if your solicitations are made to no more than ten persons during a calendar year. The law provides penalties for failure to comply with this requirement, unless the failure is due to reasonable cause.

Letter 948 (DO/CG)

CONSERVATIVES IN ACTION

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lois G. Lerner". The signature is fluid and cursive, with the first name "Lois" being more prominent and the last name "Lerner" following in a similar style.

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Information for Organizations Exempt Under Sections Other
Than 501(c)(3)

CONSERVATIVES IN ACTION

INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTIONS OTHER THAN 501(C)(3)

WHERE TO GET FORMS AND HELP

Forms and instructions may be obtained by calling toll free 1-800-829-3676, through the Internet Web Site at www.irs.gov, and also at local tax assistance centers.

Additional information about any topic discussed below may be obtained through our customer service function by calling toll free 1-877-829-5500 between 8:30 a.m. - 5:30 p.m. Eastern time.

NOTIFY US ON THESE MATTERS

If you change your name, address, purposes, operations or sources of financial support, please inform our TE/GE Customer Account Services Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, Ohio 45201. If you amend your organizational document or by-laws, or dissolve your organization, provide the Customer Account Services Office with a copy of the amended documents. Please use your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

In your exemption letter we indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. Form 990 (or Form 990-EZ) is filed with the Ogden Submission Processing Center, Ogden UT 84201-0027.

You are required to file a Form 990 only if your gross receipts are normally more than \$25,000.

If your gross receipts are normally between \$25,000 and \$100,000, and your total assets are less than \$250,000, you may file Form 990-EZ. If your gross receipts are over \$100,000, or your total assets are over \$250,000, you must file the complete Form 990. The Form 990 instructions show how to compute your "normal" receipts.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to timely file a complete return. For additional information on penalties, see Form 990 instructions or call our toll free number.

If your receipts are below \$25,000, and we send you a Form 990 Package, follow the instructions in the package on how to complete the limited return to advise us that you are not required to file.

If your exemption letter states that you are not required to file Form 990, you are exempt from these requirements.

CONSERVATIVES IN ACTION

UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. Special rules for organizations exempt under sections 501(c)(7), (9), (17) and (19) are described in Publication 598.

There are several exceptions to the tax on unrelated business income.

1. Income you receive from the performance of your exempt activity is not unrelated business income.
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, is not unrelated business income.
3. Income from routine investments such as certificates of deposit, savings accounts, or stock dividends is usually not unrelated business income.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

EXCESS BENEFIT TRANSACTIONS (Applies to 501(c)(4) organizations)

Excess benefit transactions are governed by section 4958 of the Code. Excess benefit transactions involve situations where a section 501(c)(4) organization provides an unreasonable benefit to a person who is in a position to exercise substantial influence over the organization's affairs. If you believe there may be an excess benefit transaction involving your organization, you should report the transaction on Form 990 or Form 990-EZ. Additional information can

CONSERVATIVES IN ACTION

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EMPLOYMENT TAXES

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You are also liable for tax under the Federal Unemployment Tax (FUTA) for each employee you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter.

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

SEP 29 2005

CONSERVATIVES IN ACTION
C/O SUSAN COBB
901 NEW YORK AVE NW
WASHINGTON, DC 20001

Employer Identification Number:

20-3272668

DLN:

17053237024025

Contact Person:

JOHN J KOESTER

ID# 31364

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

December 31

Form 990 Required:

Yes

Effective Date of Exemption:

August 1, 2005

Contribution Deductibility:

No

Dear Applicant:

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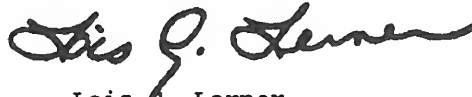
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Director, Exempt Organizations
Rulings and Agreements

Enclosure: Information for Organizations Exempt Under Sections Other
Than 501(c)(3)

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INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTIONS
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CONSERVATIVES IN ACTION
C/O AMBER WONG HSU
901 NEW YORK AVE
WASHINGTON, DC 20001-0000

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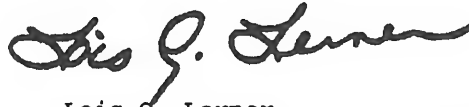
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Director, Exempt Organizations
Rulings and Agreements

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CONSERVATIVES IN ACTION

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Power of Attorney and Declaration of Representative

► Type or print. ► See the separate instructions.

OMB No. 1545-0150

For IRS Use Only

Received by: _____

Name _____

Telephone _____

Function _____

Date _____

Part I Power of Attorney

Caution: Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer Information. Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address Conservatives in Action 3006 East North Street Greenville, SC 29615	Social security number(s) _____ Daytime telephone number _____	Employer identification number 20-3272668 Plan number (if applicable) _____
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hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address Amber Wong Hsu 901 New York Avenue, NW Washington, DC 20001	CAF No. 2605-8837R Telephone No. 202-624-3965 Fax No. 202-624-7222 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Susan Cobb 901 New York Avenue, NW Washington, DC 20001	CAF No. 2605-05623R Telephone No. 202-624-7344 Fax No. 202-624-7222 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Melissa Tai 901 New York Avenue, NW Washington, DC 20001	CAF No. _____ Telephone No. 202-624-7214 Fax No. 202-624-7222 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax matters

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
Income; IRC Sec. 501	SS-4, 1024, 990	2005-2008

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific uses not recorded on CAF. ☐

5 Acts authorized. The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

Exceptions. An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 2 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Circular 230. See the line 5 instructions for restrictions on tax matters partners.

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: _____

6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ► _____

- 7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.
- a** If you also want the second representative listed to receive a copy of notices and communications, check this box ☐ **b** If you do not want any notices or communications sent to your representative(s), check this box ☐
- 8 Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here ☐
- YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**
- 9 Signature of taxpayer(s).** If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

► IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.

Robert G. Taylor
Signature

July 27, 2005
Date

President
Title (if applicable)

Robert G. Taylor
Print Name

PIN Number

Print name of taxpayer from line 1 if other than individual

Signature

Date

Title (if applicable)

Print Name

PIN Number

Part II Declaration of Representative

Caution: Students with a special order to represent taxpayers in Qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program, see the instructions for Part II.

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a** Attorney — a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b** Certified Public Accountant — duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c** Enrolled Agent — enrolled as an agent under the requirements of Treasury Department Circular No. 230.
 - d** Officer — a bona fide officer of the taxpayer's organization.
 - e** Full-Time Employee — a full-time employee of the taxpayer.
 - f** Family Member — a member of the taxpayer's immediate family (i.e., spouse, parent, child, brother, or sister).
 - g** Enrolled Actuary — enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d) of Treasury Department Circular No. 230).
 - h** Unenrolled Return Preparer — the authority to practice before the Internal Revenue Service is limited by Treasury Department Circular No. 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See Unenrolled Return Preparer on page 2 of the instructions.

► IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. See the Part II instructions.

Designation — Insert above letter (a–h)	Jurisdiction (state) or identification	Signature	Date
a	MD, DC	<i>[Signature]</i>	Aug. 23, 2005
a	DC	<i>Susan A. Cobb</i>	Aug. 23, 2005
a	MA	<i>[Signature]</i>	23 August 2005

17053237024025

Form **1024**

(Rev. September 1998)

Department of the Treasury
Internal Revenue Service**Application for Recognition of Exemption
Under Section 501(a)**

OMB No. 1545-0057

If exempt status is approved,
this application will be open
for public inspection.Read the instructions for each Part carefully. **A User Fee must be attached to this application.**

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to the organization.

Complete the Procedural Checklist on page 6 of the instructions.**Part I. Identification of Applicant** (Must be completed by all applicants; also complete appropriate schedule.)

Submit only the schedule that applies to your organization. Do not submit blank schedules.

Check the appropriate box below to indicate the section under which the organization is applying:

- a ☐ Section 501(c)(2) — Title holding corporations (Schedule A, page 7)
- b ☒ Section 501(c)(4) — Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)
- c ☐ Section 501(c)(5) — Labor, agricultural, or horticultural organizations (Schedule C, page 9)
- d ☐ Section 501(c)(6) — Business leagues, chambers of commerce, etc. (Schedule C, page 9)
- e ☐ Section 501(c)(7) — Social clubs (Schedule D, page 11)
- f ☐ Section 501(c)(8) — Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)
- g ☐ Section 501(c)(9) — Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)
- h ☐ Section 501(c)(10) — Domestic fraternal societies, orders, etc., not providing life, sick, or accident, or other benefits (Schedule E, page 13)
- i ☐ Section 501(c)(12) — Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)
- j ☐ Section 501(c)(13) — Cemeteries, crematoria, and like corporations (Schedule H, page 16)
- k ☐ Section 501(c)(15) — Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)
- l ☐ Section 501(c)(17) — Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)
- m ☐ Section 501(c)(19) — A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)
- n ☐ Section 501(c)(25) — Title holding corporations or trusts (Schedule A, page 7)

1a Full name of organization (as shown in organizing document)		2 Employer identification number (EIN) (if none, see Specific Instructions on page 2)
Conservatives in Action		20-3272668
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed
Robert G. Taylor		
1c Address (number and street)	Room/Suite	
3006 East North Street		
1d City, town or post office, state, and ZIP + 4 If you have a foreign address, see Specific Instructions for Part I, page 2.		
Greenville, South Carolina 29615-1825		Amber Wong Hsu, Esq. (202) 624-3965
1e Web site address	4 Month the annual accounting period ends	5 Date Incorporated or formed
	December	
6 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach an explanation.		
7 Has the organization filed Federal income tax returns or exempt organization information returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		

8 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENT TO THE APPLICATION BEFORE MAILING.

- a ☒ Corporation — Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach a copy of the bylaws.
- b ☐ Trust — Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c ☐ Association — Attach a copy of the Articles of Association, Constitution, or other creating document (see instructions) or other evidence that the organization was formed by adoption of the documents of the organization. Also include a copy of the bylaws.

If this is a corporation or an unincorporated association that has not yet adopted bylaws, check here ☒

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization, and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

PLEASE
SIGN
HERERobert G. Taylor
(Signature)Robert G. Taylor, President
(Type or print name and title or authority of signer)7/27/05
(Date)

For Paperwork Reduction Act Notice, see page 5 of the instructions.

Part II. Activities and Operational Information (Must be completed by all applicants)

- 1 Provide a detailed narrative description of all the activities of the organization — past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

Applicant is newly created. The description provided herein is based on planned activities. Applicant was created for the purpose of educating the public on social welfare issues that impact South Carolinians, especially on issues relating to property rights and taxes. In furtherance thereof, Applicant proposes to engage in the following: 1) hold meetings of local residents to discuss social and political issues of concern; 2) distribute newsletters or flyers to educate the public on social and political issues of concern; 3) hold local press conferences with the media to discuss these social and political issues of concern; and 4) engage in any other local activities that would further its educational mission.

Applicant's activities will be initiated in August or September of 2005.

Applicant's activities will be carried out by its voluntary board of directors and any other volunteers that are interested in furthering the educational mission and activities of the Applicant.

All activities will be carried out in the Greenville, South Carolina area, where Applicant is located.

- 2 List the organization's present and future sources of financial support, beginning with the largest source first.

At present, Applicant has \$100 in its bank account. That initial contribution was made by Applicant's President. Applicant foresees that its primary sources of financial support will come from individuals and others from the Greenville, SC area that wish to further its educational mission and activities.

Part II. Activities and Operational Information (continued)**3** Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
Robert G. Taylor, President and Director 3006 East North Street Greenville, SC 29615	0
J. Grady Miller, Treasurer and Director 127 Lake Circle Drive Greenville, SC 29609	0
James F. Keasler, Secretary and Director 28 Goldfinch Circle Greer, SC 29650	0

4 If the organization is the outgrowth or continuation of any form of predecessor, state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.

N/A

5 If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).

N/A

6 If the organization has capital stock issued and outstanding, state: (1) class or classes of the stock; (2) number and par value of the shares; (3) consideration for which they were issued; and (4) if any dividends have been paid or whether your organization's creating instrument authorizes dividend payments on any class of capital stock.

N/A

7 State the qualifications necessary for membership in the organization; the classes of membership (with the number of members in each class); and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Attach sample copies of all types of membership certificates issued.

Applicant is not a membership organization.

8 Explain how your organization's assets will be distributed on dissolution. As set forth in Article Ninth of Applicant's Articles of Incorporation, "upon dissolution of the Corporation, the net assets remaining after the payment or provision for debts or obligations shall be distributed for social welfare and educational purposes."

Part II. Activities and Operational Information (continued)

- 9 Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members? ☐ Yes ☒ No
If "Yes," state the full details, including: (1) amounts or value; (2) source of funds or property distributed or to be distributed; and (3) basis of, and authority for, distribution or planned distribution.

- 10 Does, or will, any part of your organization's receipts represent payments for services performed or to be performed? ☐ Yes ☒ No
If "Yes," state in detail the amount received and the character of the services performed or to be performed.

- 11 Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed? ☐ Yes ☒ No
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

- 12 Does the organization have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions, or annuities)? ☐ Yes ☒ No
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

- 13 Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? ☐ Yes ☒ No
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.

- 14 Does the organization now lease or does it plan to lease any property? ☐ Yes ☒ No
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement. (If the organization is a party, as a lessor, to multiple leases of rental real property under similar lease agreements, please attach a single representative copy of the leases.)

- 15 Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization? ☐ Yes ☒ No
If "Yes," explain in detail and list the amounts spent or to be spent in each case.

Applicant's primary purpose is social welfare. It has no immediate plans to make political expenditures. If it does in the future, Applicant will comply with IRC Section 527.

- 16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? ☐ Yes ☒ No
If "Yes," attach a recent copy of each.

Applicant has no written materials to submit to IRS at this time.

Part III. Financial Data (Must be completed by all applicants)

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

Revenue	(a) Current Tax Year	3 Prior Tax Years or Proposed Budget for Next 2 Years			(e) Total
	From present To 12/2005	(b) 2006	(c) 2007	(d)	
1 Gross dues and assessments of members	0	0	0		0.00
2 Gross contributions, gifts, etc.	15,000	25,000	50,000		90,000.00
3 Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) (Include related cost of sales on line 9.) ..	0	0	0		0.00
4 Gross amounts from unrelated business activities (attach schedule) ..	0	0	0		0.00
5 Gain from sale of assets, excluding inventory items (attach schedule)	0	0	0		0.00
6 Investment income (see page 3 of the instructions) ..	0	0	0		0.00
7 Other revenue (attach schedule)	0	0	0		0.00
8 Total revenue (add lines 1 through 7)	15,000.00	25,000.00	50,000.00	0.00	90,000.00
Expenses					
9 Expenses attributable to activities related to the organization's exempt purposes	12,000	20,000	50,000		82,000.00
10 Expenses attributable to unrelated business activities ..	0	0	0		0.00
11 Contributions, gifts, grants, and similar amounts paid (attach schedule)	0	0	0		0.00
12 Disbursements to or for the benefit of members (attach schedule) ..	0	0	0		0.00
13 Compensation of officers, directors, and trustees (attach schedule) ..	0	0	0		0.00
14 Other salaries and wages	0	0	0		0.00
15 Interest	0	0	0		0.00
16 Occupancy	0	0	0		0.00
17 Depreciation and depletion	0	0	0		0.00
18 Other expenses (attach schedule)	0	0	0		0.00
19 Total expenses (add lines 9 through 18)	12,000.00	20,000.00	50,000.00	0.00	82,000.00
20 Excess of revenue over expenses (line 8 minus line 19)	3,000.00	5,000.00	0.00	0.00	8,000.00

B. Balance Sheet (at the end of the period shown)

Assets		Current Tax Year as of 12/2005	
1 Cash	1	100	
2 Accounts receivable, net	2	0	
3 Inventories	3	0	
4 Bonds and notes receivable (attach schedule)	4	0	
5 Corporate stocks (attach schedule)	5	0	
6 Mortgage loans (attach schedule)	6	0	
7 Other investments (attach schedule)	7	0	
8 Depreciable and depletable assets (attach schedule)	8	0	
9 Land	9	0	
10 Other assets (attach schedule)	10	0	
11 Total assets	11	100.00	
Liabilities			
12 Accounts payable	12	0	
13 Contributions, gifts, grants, etc., payable	13	0	
14 Mortgages and notes payable (attach schedule)	14	0	
15 Other liabilities (attach schedule)	15	0	
16 Total liabilities	16	0.00	
Fund Balances or Net Assets			
17 Total fund balances or net assets	17	0	
18 Total liabilities and fund balances or net assets (add line 16 and line 17)	18	0.00	

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation ☐

Schedule B**Organizations described in section 501(c)(4) (Civic leagues, social welfare organizations (including posts, councils, etc., of veterans' organizations not qualifying or applying for exemption under section 501(c)(19)) or local associations of employees.)**

- 1 Has the Internal Revenue Service previously issued a ruling or determination letter recognizing the applicant organization (or any predecessor organization listed in question 4, Part II of the application) to be exempt under section 501(c)(3) and later revoked that recognition of exemption on the basis that the applicant organization (or its predecessor) was carrying on propaganda or otherwise attempting to influence legislation or on the basis that it engaged in political activity? ☐ Yes ☒ No

If "Yes," indicate the earliest tax year for which recognition of exemption under section 501(c)(3) was revoked and the IRS district office that issued the revocation.

- 2 Does the organization perform or plan to perform (for members, shareholders, or others) services, such as maintaining the common areas of a condominium; buying food or other items on a cooperative basis; or providing recreational facilities or transportation services, job placement, or other similar undertakings? ☐ Yes ☒ No

If "Yes," explain the activities in detail, including income realized and expenses incurred. Also, explain in detail the nature of the benefits to the general public from these activities. (If the answer to this question is explained in Part II of the application (pages 2, 3, and 4), enter the page and item number here.)

- 3 If the organization is claiming exemption as a homeowners' association, is access to any property or facilities it owns or maintains restricted in any way? ☐ Yes ☒ No

If "Yes," explain.

- 4 If the organization is claiming exemption as a local association of employees, state the name and address of each employer whose employees are eligible for membership in the association. If employees of more than one plant or office of the same employer are eligible for membership, give the address of each plant or office.

N/A

17053237024025

Form **8718**
(Rev. August 2005)
Department of the Treasury
Internal Revenue Service

User Fee for Exempt Organization Determination Letter Request

▶ Attach this form to determination letter application.
(Form 8718 is NOT a determination letter application.)

For
IRS
Use
Only

OMB No. 1545-1798

Control number

Amount paid **5000**
User fee screener

1 Name of organization

Conservatives in Action

2 Employer Identification Number

20-3272668

Caution: Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.

3 Type of request

Fee

a ☒ Initial request for a determination letter for:

- An exempt organization that has had annual gross receipts averaging not more than \$10,000 during the preceding 4 years, or
- A new organization that anticipates gross receipts averaging not more than \$10,000 during its first 4 years ▶ \$150

Note: If you checked box 3a, you must complete the Certification below.

Certification

I certify that the annual gross receipts of

name of organization

have averaged (or are expected to average) not more than \$10,000 during the preceding 4 (or the first 4) years of operation.

Signature ▶

Title ▶

b ☐ Initial request for a determination letter for:

- An exempt organization that has had annual gross receipts averaging more than \$10,000 during the preceding 4 years or
- A new organization that anticipates gross receipts averaging more than \$10,000 during its first 4 years . . ▶ \$500

c ☐ Group exemption letters ▶ \$500

Instructions

The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev. Proc. 2005-8, 2005-1, I.R.B. 243, or latest annual update.

Check the box or boxes on line 3 for the type of application you are submitting. If you check box 3a, you must complete and sign the certification statement that appears under line 3a.

Attach to Form 8718 a check or money order payable to the "United States Treasury" for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8718 to your determination letter application.

Generally, the user fee will be refunded only if the Internal Revenue Service declines to issue a determination.

Where To File

Send the determination letter application and Form 8718 to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send the application and Form 8718 to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want your organization to be recognized as tax-exempt by the IRS, you are required to give us this information. We need it to determine whether the organization meets the legal requirements for tax-exempt status.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. The rules governing the confidentiality of Form 8718 are covered in section 6104.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 5 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP,1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send this form to this address. Instead, see *Where To File* above.

Attach Check or Money Order Here

POSTMARK

RECEIVED

AUG 23 '05

AUG 24 '05

CINCINNATI
SERVICE CENTER

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Incorporation, Nonprofit Corporation

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

CONSERVATIVES IN ACTION,
a nonprofit corporation duly organized under the laws of the State of South Carolina on August 1st, 2005, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed a Declaration and Petition for Incorporation of a nonprofit corporation for Religious, Educational, Social, Fraternal, Charitable, or other eleemosynary purpose.

Now, therefore, I Mark Hammond, Secretary of State, by virtue of the authority in me vested by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto, do hereby declare the organization to be a body politic and corporate, with all the rights, powers, privileges and immunities, and subject to all the limitations and liabilities, conferred by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto.

Given under my Hand and the Great
Seal of the State of South Carolina this
1st day of August, 2005.

A handwritten signature in cursive script that reads "Mark Hammond". The signature is written in dark ink and is positioned above the printed name.

Mark Hammond, Secretary of State



CONSERVATIVES IN ACTION

AUG - 1 2005

Articles of Incorporation
South Carolina Nonprofit Corporation

Mark Hammond
Pursuant to Section 33-31-202 of the South Carolina Code of Laws, as amended, the undersigned corporation submits the following information:

FIRST: The name of the nonprofit corporation is: **Conservatives in Action** (hereinafter referred to as the "Corporation").

SECOND: The Corporation will not have members.

THIRD: The initial registered office is: 3006 East North Street, Greenville, South Carolina 29615.

FOURTH: The name of the initial registered agent is: Robert G. Taylor, who is a resident of South Carolina and maintains an office at the same address as the registered office of the Corporation.

FIFTH: The Corporation is a mutual benefit corporation.

SIXTH: The Corporation shall be organized and operated exclusively for social welfare and educational purposes. The Corporation shall be dedicated to the education and advocacy in furtherance of conservative government at the local and state levels. The Corporation is not organized or operated for private profit or benefit; it shall not have the power to issue certificates of stock or pay dividends; no part of its net earnings shall inure to the benefit of, upon dissolution or otherwise, any private individual; provided, however, the Corporation is authorized to pay reasonable compensation for personal services actually rendered.

SEVENTH: The name and address of the incorporator are as follows: Amber Wong Hsu, 901 New York Avenue, NW Third Floor, Washington, DC 20001.

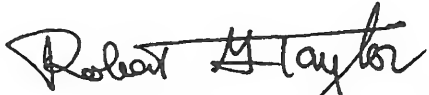
EIGHTH: The initial Board of Directors shall be appointed by the Incorporator. The successor directors shall be elected by the directors. Procedures for elections shall be set forth in the Bylaws.

NINTH: The Corporation shall have perpetual existence. Upon dissolution of the Corporation, the net assets remaining after the payment or provision for debts or obligations shall be distributed for social welfare and educational purposes.

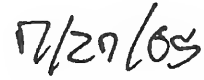
Amber Wong Hsu
Amber Wong Hsu, Incorporator

7-27-2005
Date

I hereby consent to the appointment as registered agent of the Corporation.



Robert G. Taylor, Registered Agent



Date

Bylaws

The attached "draft" bylaws have not yet been adopted by the Applicant's Board of Directors. They are currently under review.

DRAFT

BYLAWS
OF
CONSERVATIVES IN ACTION

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE I	1
OFFICES.....	1
Section 1. Principal Office.....	1
Section 2. Registered Office	1
ARTICLE II.....	1
DIRECTORS	1
Section 1. Powers and Qualifications	1
Section 2. Number	2
Section 3. Election	2
Section 4. Term.....	2
Section 5. Resignations.....	2
Section 6. Removal.....	2
Section 7. Vacancies	2
MEETINGS OF THE BOARD OF DIRECTORS	3
Section 8. Location of Meetings	3
Section 9. Annual Meeting	3
Section 10. Regular Meetings.....	3
Section 11. Call of Special Meetings.....	3
Section 12. Notice of Special Meetings.....	3
Section 13. Waiver of Notice.....	3
Section 14. Quorum	4
Section 15. Action by Majority Vote.....	4
Section 16. Action by Written Consent	4
COMMITTEES.....	4
Section 17. Designation	4
Section 18. Powers.....	5
Section 19. Term.....	5
Section 20. Meetings.....	5
Section 21. Quorum	5
ARTICLE III.....	6
OFFICERS.....	6
Section 1. Designation	6
Section 2. Election	6
Section 3. Term.....	6
Section 4. Resignations.....	6
Section 5. Removal	6
Section 6. Vacancies	7
Section 7. President.....	7
Section 8. Vice President	7
Section 9. Secretary	7
Section 10. Treasurer	7
Section 11. Other Officers	8

ARTICLE IV	8
COMPENSATION OF DIRECTORS AND OFFICERS.....	8
Section 1. Compensation of Directors	8
Section 2. Compensation of Officers.....	8
ARTICLE V	9
LIABILITY AND INDEMNIFICATION	9
Section 1. Liability.....	9
Section 2. Indemnification	9
Section 3. Prohibition Against Self-Dealing.....	9
ARTICLE VI	9
GENERAL PROVISIONS	9
Section 1. Grants	9
Section 2. Execution of Contracts.....	10
Section 3. Loans.....	10
Section 4. Gifts.....	10
Section 5. Investments	10
Section 6. Voting of Securities Held by the Corporation	10
Section 7. Books and Records	11
Section 8. Depositories	11
Section 9. Signatories.....	11
Section 10. Annual Audit.....	11
Section 11. Fiscal Year	11
Section 12. Corporate Seal.....	11
ARTICLE VII	12
AMENDMENTS	12
Section 1. Articles of Incorporation.....	12
Section 2. Bylaws.....	12
ARTICLE VIII.....	12
EFFECT OF PROVISIONS OF LAW AND CERTIFICATE OF INCORPORATION	12
SECRETARY'S CERTIFICATE.....	14

BYLAWS OF CONSERVATIVES IN ACTION

ARTICLE I

OFFICES

Section 1. Principal Office. The principal office of CONSERVATIVES IN ACTION (hereinafter referred to as the "Corporation") shall be located in South Carolina. The Corporation may from time to time have such other offices as the Board of Directors may determine or as the affairs of the Corporation may require.

Section 2. Registered Office. The Corporation shall have and continuously maintain in South Carolina, a registered office and a registered agent whose office is located in such registered office. The registered office may be, but need not be, located in the principal office of the Corporation. The address of the registered office may from time to time be changed by the Board of Directors.

ARTICLE II

DIRECTORS

Section 1. Powers and Qualifications. The policies of the Corporation shall be determined, and its affairs shall be managed, by its Board of Directors. The directors shall act only as a Board of Directors, or as a committee thereof; individual directors shall have no power as such. Directors need not be citizens of the United States, nor residents of South Carolina.

Section 2. Number. The number of directors of the Corporation shall be three. Such number may be increased or decreased from time to time by the Board of Directors within such limits; however, no decrease shall reduce the term of any incumbent director.

Section 3. Election. Directors shall be elected at the annual meeting of the Board of Directors by majority vote of the members of the Board.

Section 4. Term. Except as provided in Section 7 of this Article, directors shall serve for a term of one year and until their successors are elected and qualified, or until their earlier resignation, removal, or death.

Section 5. Resignations. Any director may resign at any time by notifying the Board of Directors in writing. Such resignation shall take effect at the time specified therein. Acceptance by the Board of Directors of such resignation shall not be necessary to make it effective.

Section 6. Removal. Directors may be removed from office at any time, with or without cause, upon a majority vote of the Board of Directors at a meeting called for that purpose. Notice of the intent to remove a director shall be served personally or sent to each director by mail or telegram addressed to his last known address at least seven (7) days before the time designated for such meeting.

Section 7. Vacancies. Vacancies in the Board of Directors shall be deemed to exist in the event of the resignation, removal, or death of a director, or in the event of an increase in the number of directors. Any such vacancy shall be filled by a majority vote of the remaining members of the Board of Directors, though less than a quorum. A director elected to fill a vacancy shall hold office for the unexpired term of his predecessor. In the case of an increase in the number of directors, a director shall hold office until the next annual meeting.

MEETINGS OF THE BOARD OF DIRECTORS

Section 8. Location of Meetings. All meetings of the Board of Directors may be held within or without South Carolina and may be held by means of telephone conference.

Section 9. Annual Meeting. The annual meeting of the Board of Directors shall be held at such time and place as shall be determined by the Board of Directors and designated in the notice or waiver of notice of the meeting.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board of Directors.

Section 11. Call of Special Meetings. The president may call, or upon the request of a majority of the members of the Board of Directors, the secretary shall call, special meetings of the Board of Directors.

Section 12. Notice of Special Meetings. Notwithstanding the requirements of Section 6 of this Article, notice of special meetings of the Board of Directors shall be in writing, signed by the president, or the secretary, and shall be served personally or sent to each director by mail or telegram addressed to his last known address at least two (2) days before the time designated for such meeting. Notice of special meetings shall state the time and place of the meeting; the purpose or purposes of such meetings need not be specified, unless otherwise required in the Articles of Incorporation or these Bylaws.

Section 13. Waiver of Notice. Whenever notice is required to be given to any director under the provisions of the South Carolina Nonprofit Corporation Act, the Articles of Incorporation, or these Bylaws, a waiver thereof in writing, signed by the person or persons

entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Such waiver need not specify the purpose or purposes of the meeting.

Section 14. Quorum. A majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, unless otherwise required by the South Carolina Nonprofit Corporation Act, the Articles of Incorporation, or these Bylaws. However, if a quorum is not present at any meeting of the Board of Directors, those directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 15. Action by Majority Vote. Except as required by the South Carolina Nonprofit Corporation Act, the Articles of Incorporation, or these Bylaws, any action by a majority of the directors present at a meeting at which a quorum is present shall be deemed the action of the Board of Directors.

Section 16. Action by Written Consent. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

COMMITTEES

Section 17. Designation. The Board of Directors may from time to time designate one-third (1/3) of their number, but not less than two (2) directors, to constitute an executive committee. The Board of Directors may also designate from time to time two (2) or more directors to serve on such other committee or committees as deemed necessary and proper. The Board of Directors shall have the power at any time to: (i) designate a member of such

committee as its chairman; (ii) fill vacancies; (iii) change the membership; or, (iv) discharge a committee.

Section 18. Powers. Each committee shall have, and may exercise, such powers not inconsistent with the South Carolina Nonprofit Corporation Act, the Articles of Incorporation, or these Bylaws, as authorized by the Board of Directors. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law. The members of a committee shall act only as a committee.

Section 19. Term. Members of a committee shall serve for a term of three (3) years, until their successors are appointed, or until their earlier resignation, removal with or without cause, or death, or until the committee shall sooner be terminated.

Section 20. Meetings. Meetings of a committee may be held within or without South Carolina, and may be held by means of telephone conference. A majority of any such committee may fix the time and place of its meetings. Each committee shall keep records of its actions, and report such actions to the Board of Directors and the president.

Section 21. Quorum. A majority of the then serving members of any committee shall constitute a quorum. Any action of the majority of those present at a meeting at which a quorum is present shall be deemed the action of the committee, except when a committee has only two (2) members, then any action must be by unanimous consent.

ARTICLE III

OFFICERS

Section 1. Designation. The officers of the Corporation shall consist of a president, a secretary, and a treasurer, and may include one (1) or more vice presidents, and such other officers, assistant officers, and agents as may be deemed necessary, each to have such duties and authority as are provided in these Bylaws, or as the Board of Directors may from time to time determine. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election. The officers shall be elected by the Board of Directors immediately following the election of directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient.

Section 3. Term. Officers shall serve for a term of one (1) year, until the next annual meeting of the Board of Directors and until their successors are elected and qualified, or until their earlier resignation, removal, or death.

Section 4. Resignations. Any officer may resign at any time by notifying the Board of Directors in writing. Such resignation shall take effect at the time specified therein. Acceptance by the Board of Directors of such resignation shall not be necessary to make it effective.

Section 5. Removal. Any officer may be removed, either with or without cause, by a majority vote of the Board of Directors at any regular or special meeting.

Section 6. Vacancies. A vacancy in any office caused by resignation, removal, or death may be filled for the unexpired term of the predecessor in office by the Board of Directors at any regular or special meeting.

Section 7. President. The president shall have general supervision over the affairs of the Corporation, and shall perform all duties incident thereto and have such power as may from time to time be assigned by the Board of Directors.

Section 8. Vice President. The vice president, if one shall be elected, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 9. Secretary. The secretary shall: (i) act as secretary of all meetings of the Board of Directors and of such other committees as the Board of Directors shall specify; (ii) keep the minutes thereof in the proper book or books; (iii) see that the reports, statements, and other documents required by law are properly kept and filed; and, (iv) in general, perform all the duties incident to the office of secretary and such related duties as may from time to time be assigned by the Board of Directors or the president. The books, records, and papers, in the hands of secretary shall at all times be subject to the inspection, supervision, and control of the Board of Directors and the president. At the expiration of his term of office, the secretary shall turn over to his successor in office all books, records, papers, and other properties of the Corporation.

Section 10. Treasurer. The treasurer shall: (i) collect and keep an account of all moneys received and expended for the use of the Corporation; (ii) deposit sums received by the Corporation in the name of the Corporation in such depositories as shall be approved by the

Board of Directors; (iii) present reports of the finances of the Corporation at each annual meeting and when called upon by the president; and, (iv) perform such related duties as shall be directed by the Board of Directors or the president. The funds, books, and vouchers in the hands of the treasurer shall at all times be subject to the inspection, supervision, and control of the Board of Directors and the president. At the expiration of his term of office, the treasurer shall turn over to his successor in office all books, records, monies, and other properties of the Corporation.

Section 11. Other Officers. Other officers elected or appointed by the Board of Directors shall, in general, perform such duties and have such powers as shall be assigned to them by the Board of Directors or the president.

ARTICLE IV

COMPENSATION OF DIRECTORS AND OFFICERS

Section 1. Compensation of Directors. Directors shall not receive any compensation for their services as such; however, the Board of Directors may authorize reimbursement for all expenses incurred in connection with the performance of services for the Corporation, including but not limited to attendance at annual, regular, or special meetings of the Corporation. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 2. Compensation of Officers. While it is the intention of the parties not to compensate officers, the Board of Directors may, in the future, compensate its officers, provided that such any salary or compensation shall not be excessive in amount and shall be for services which are reasonable and necessary for performance of the Corporation's purposes.

ARTICLE V

LIABILITY AND INDEMNIFICATION

Section 1. Liability. In the absence of fraud or bad faith, the directors of the Corporation shall not be personally liable for its debts, obligations, or liabilities.

Section 2. Indemnification. The Corporation shall indemnify any director or officer, or former director or officer, against expenses incurred in connection with the defense of any action, suit, or proceeding in which he is made a party by reason of being, or having been, such director or officer, to the maximum extent permitted by law. Such indemnification shall not be deemed exclusive of any other rights to which such director or officer may be entitled, under any Bylaw, agreement, vote of the Board of Directors, or otherwise.

Section 3. Prohibition Against Self-Dealing. Anything contained in this Article to the contrary notwithstanding, the Corporation shall in no event indemnify any person otherwise entitled to such indemnification if such indemnification would constitute "self-dealing" as defined in Section 4941 of the Internal Revenue Code of 1986, as amended.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Grants. The Board of Directors may prospectively or retroactively authorize any officer or officers, agent or agents, in the name, and on behalf, of the Corporation, and in the administration of an approved program, to make any grants or contributions or provide financial assistance to any qualified individuals or organizations.

Section 2. Execution of Contracts. The Board of Directors, except as otherwise provided in these Bylaws, may prospectively or retroactively authorize any officer or officers, agent or agents, in the name, and on behalf, of the Corporation, to enter into any contract, or execute and deliver any instrument as may be necessary to carry out the purposes of the Corporation. Any such authority may be general or confined to specific instances.

Section 3. Loans. The Board of Directors may authorize the president or any other officer or agent of the Corporation to: (i) obtain loans and advances at any time for the Corporation from any bank, trust company, firm, corporation, individual, or other institution; (ii) make, execute, and deliver promissory notes, bonds, or other certificates or evidences of indebtedness of the Corporation; and (iii) pledge and hypothecate, or transfer any securities or other property of the Corporation as security for any such loans or advances. Such authority conferred by the Board of Directors may be general or confined to specific instances. No loans shall be made by the Corporation to any director or officer thereof.

Section 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the purposes of the Corporation.

Section 5. Investments. The Corporation shall have the right to invest and reinvest any funds held by it according to the judgment of the Board of Directors. The Board of Directors is restricted to the prudent investments which a director is or may hereafter be permitted by law to make.

Section 6. Voting of Securities Held by the Corporation. Stocks and other securities owned by the Corporation shall be voted, in person or by proxy, as the Board of Directors may

specify. In the absence of any direction by the Board of Directors, such stocks and securities shall be voted as the president may determine.

Section 7. Books and Records. There shall be kept at the principal office of the Corporation, correct books of accounts of all the business and transactions of the Corporation.

Section 8. Depositories. The funds of the Corporation not otherwise employed shall from time to time be deposited to the order of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select, or as may be selected by any one (1) or more officers or agents of the Corporation to whom such power may from time to time be delegated by the Board of Directors.

Section 9. Signatories. All checks, drafts, and other orders for payment of money out of the funds of the Corporation, and all notes and other evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer and countersigned by the president of the Corporation.

Section 10. Annual Audit. The Board of Directors may require an annual audit be made of the books and accounting records of the Corporation.

Section 11. Fiscal Year. The fiscal year of the Corporation shall begin on the calendar year unless otherwise determined by resolution of the Board of Directors.

Section 12. Corporate Seal. The Corporation may have a corporate seal with its name, year of incorporation, and the words "Corporate Seal, South Carolina" inscribed thereon. The seal shall be in the custody of the secretary and used by him, or any other officer so authorized

by the Board of Directors, by causing it, or a facsimile thereof, to be impressed, affixed, or reproduced otherwise on any instrument or document as may be required by law, these Bylaws, the Board of Directors, or president. The presence or absence of the seal on any instrument, or its addition thereto, shall not affect the character, validity, or legal effect of the instrument in any respect.

ARTICLE VII

AMENDMENTS

Section 1. Articles of Incorporation. The Articles of Incorporation, or any one (1) or more of the provisions thereof, may be amended, by a two-thirds (2/3) vote of the directors then in office at a meeting of the Board of Directors expressly called for that purpose. Notice of the intent to amend the Articles of Incorporation shall be given in accordance with Article II, Section 12 hereof.

Section 2. Bylaws. These Bylaws, or any one (1) or more of the provisions thereof, may be altered, amended, or repealed and new Bylaws adopted by a two-thirds (2/3) vote of the directors then in office at a meeting of the Board of Directors expressly called for that purpose. Notice of the intent to alter, amend, or repeal and adopt new Bylaws shall be given in accordance with Article II, Section 12 hereof.

ARTICLE VIII

EFFECT OF PROVISIONS OF LAW AND CERTIFICATE OF INCORPORATION

Each of the provisions of these Bylaws shall be subject to and controlled by specific provisions of the South Carolina Nonprofit Corporation Act or the Articles of Incorporation which relate to their subject matter, and shall also be subject to any exceptions or more specific provisions dealing with the subject matter appearing in these Bylaws, as amended from time to time.

August 23, 2005

VIA OVERNIGHT MAIL

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

Re: Conservatives in Action

To Whom It May Concern:

Enclosed herewith is the Application for Recognition of Exemption Under Section 501(a) of the Internal Revenue Code (IRS Form 1024) for Conservatives in Action (the "Applicant"). The Applicant, a South Carolina nonprofit corporation, is organized and shall be operated exclusively for educational purposes. Applicant is not seeking recognition of exemption under IRC 501(c)(3), since a portion of its activities may include attempts to influence legislation. Educational organizations that engage in legislative activities may qualify for exemption under IRC 501(c)(4).

A. Documents Furnished

Applicant is submitting the following documentation in support of its exemption application:

- IRS Form 2848, Power of Attorney;
- IRS Form 8718 and applicable user fee;
- Completed IRS Form 1024;
- Applicant's Articles of Incorporation; and
- Applicant's Bylaws in draft form (not yet adopted by Applicant's Board of Directors).

B. Statement of Authorities in Support of Applicant's Application for Exemption

Section 501(c)(4) of the Internal Revenue Code grants exemption in relevant part to "civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare."

The regulations provide that an organization is operated exclusively for the promotion of social welfare "if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. An organization embraced within this section is one which is operated primarily for the purpose of bringing about civic betterments and social improvements." Reg. 1.501(c)(4)-1(a)(2).

In Rev. Rul. 68-656, 1968-2 C.B. 216, the IRS held that an educational organization organized and operated to inform the public by educational methods on a subject of public interest and concern may be exempt under section 501(c)(4) of the Code even though the subject evokes controversy and even though the organization advocates a particular viewpoint and seeks changes in the law to reflect such viewpoint.

In Rev. Rul. 76-81, 1976-1 C.B. 156, the IRS held that an organization formed to educate the public on the subject of abortions, promote the rights of the unborn, and support legislative and Constitutional changes to restrict women's access to abortion qualifies for exemption under IRC 501(c)(4).

See also, Rev. Rul. 67-293, 1967-2 C.B. 185, and Rev. Rul. 71-530, 1971-2 C.B. 237.

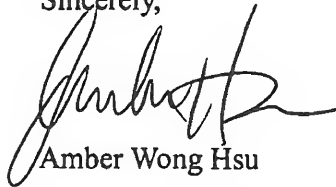
C. Conservatives in Action

As more fully set forth in the accompanying IRS Form 1024, the Applicant is a social welfare organization described in section 501(c)(4). Applicant's principal activity will be to educate the public on issues of concern to residents of the Greenville, South Carolina area, including limited government, property rights and taxes. Applicant will educate the public through meetings, conferences, mailings and, possibly, press conferences.

If you need additional information to process this exemption application and issue the requested determination letter, please contact the undersigned.

Re: Conservatives in Action
August 23, 2005
Page 3

Sincerely,

A handwritten signature in black ink, appearing to read 'Amber Wong Hsu', written in a cursive style.

Amber Wong Hsu

For Powell Goldstein LLP